

NEW NUMBER
8/10

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE*
GEORGE JOHN KETO*
MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

RECORDATION NO. 14750
FILED 1985

JUL 26 1985 2 25 PM

INTERSTATE COMMERCE COMMISSION

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440367 A AND A

July 25, 1985

7/26/85
Date
Fee \$ 10.00

106 Washington, D. C.

BY HAND DELIVERY

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are two copies of a Locomotive Lease (No. 177) dated November 17, 1983, a "primary document" as defined in the Commission's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document is:

One (1) EMD SW-9, 1200 horsepower locomotive
bearing Serial Number 4098-24.

The names and addresses of the parties to the enclosed document are:

Lessor: Inman Service Company, Inc.
115 North Main
Baytown, Texas 77520

Lessee: Diamond Shamrock Chemical Company
P.O. Box 1000
Pasadena, Texas 77501

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 16th Street, N.W., Washington, D.C., 20006.


Mr. James H. Bayne
Page Two
July 25, 1985

Also enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Locomotive Lease (No. 177) dated November 17, 1983, between Inman Service Company, Inc., Lessor, and Diamond Shamrock Chemicals Company, Lessee, covering one EMD SW-9, 1200 horsepower locomotive bearing Serial Number 4098-24.

Very truly yours,


Charles T. Kappler

Attorney for the purpose of
this filing for:

Inman Service Company, Inc.

CTK/mlt
Enclosures



Inman Service Company Inc.

Diesel Electric

LOCOMOTIVES

LOCOMOTIVE LEASE

RECORDATION NO. 14750
JUL 26 1985 - 3 25 PM
INTERSTATE COMMERCE COMMISSION

Lease No. #177

NOVEMBER 17, 1983
Date

LESSOR: INMAN SERVICE CO., INC.
115 North Main
Baytown, Texas 77520
(713) 427-6677

LESSEE: DIAMOND SHAMROCK
P.O. Box 1000
Pasadena, Texas 77501

LOCOMOTIVE DESCRIPTION: EMD-SW9 1200 H.P.

SERIAL NUMBER: 4098-24

LEASED EQUIPMENT LOCATION: _____

TERM OF LEASE: One (1) year

RENTAL CHARGES: \$ 4,200.00 per month each. The rent will be invoiced monthly and such invoice will be due on receipt.

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the above described Locomotive(s) (all locomotives are hereinafter referred to as "Leased Equipment"), pursuant to the terms contained herein for the consideration set out above. All payments to Lessor shall be made at the above address.

2. OPERATORS. Lessee shall supply its own operators for the Leased Equipment and Lessee agrees all operators using such Leased Equipment shall be competent and qualified.

3. DELIVERY AND ACCEPTANCE. All Leased Equipment shall be delivered to the Leased Equipment Location as set out above. Such Leased Equipment shall not be removed from such location except with written consent from Lessor. By accepting delivery of the Leased Equipment, Lessee acknowledges that said Leased Equipment is in good condition.

4. LESSOR'S MAINTENANCE DUTIES. Lessor agrees to provide maintenance service and keep the Leased Equipment in good working condition. Additionally, Lessor shall provide a Monthly or Bi-Monthly maintenance Inspection at periods deemed most appropriate by Lessor and Lessee.

5. LESSEE'S DUTIES OF CARE AND MAINTENANCE. Lessee shall be obligated to exercise a reasonable degree of care in its use of the Leased Equipment and to perform the daily fluid and maintenance checklist pursuant to the guidelines that may be established from time-to-time by Lessor. Lessee shall not allow the vehicle to be used in an unlawful manner, nor in any manner that would result in or cause the suspension or cancellation of insurance coverage on the Leased Equipment.

6. LESSOR'S INSURANCE COVERAGE. Lessor agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

7. LESSEE'S INSURANCE COVERAGE. Lessee agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

8. LESSEE'S INDEMNITY. The Lessee further agrees, as part consideration of this lease, to forever indemnify and save harmless Lessor, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly in connection with the use or handling of said Locomotive by the Lessee and its employees.

9. LESSOR'S INDEMNITY. The Lessor further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability in connection with employees and agents of Lessor in their activities in the plant where the equipment is kept. Lessor further indemnifies and holds Lessee harmless from and against and all loss in the event any of the Leased Equipment which may not be wholly owned is repossessed or foreclosed upon.

10. INSPECTION. Lessor shall have the right to inspect said Locomotive at any time on reasonable notice to Lessee.

11. FUELS AND OTHER FLUIDS. This lease carries no obligation on the part of Lessor to furnish any fuel, water, filters or other thing required for the operation of said Locomotive, or any of it, by Lessee.

12. ACCIDENTS AND DAMAGE. The Lessee shall notify the Lessor of each accident or other occurrence which causes damage to each vehicle within 72 hours thereafter, give all information and cooperation which the Lessor may reasonable request in connection therewith, promptly advise the Lessor of all claims and demands relating to any vehicle or the use, operation, or possession thereof, and aid in the investigation and defense of all such claims and in the assertion by the Lessor of any claims for its own account arising out of each accident or occurrence.

13. TITLE TO LEASED EQUIPMENT. Title to all Leased Equipment shall be and remain in the Lessor and the Lessee shall acquire no right, title or interest except the leasehold interest created herein. Lessee agrees to execute a UCC-1 Financing Statement evidencing this Lease Agreement.

14. RISK OF LOSS. Lessee shall bear all risk of loss, damage, theft and destruction, of the leased equipment while in the control and possession of said Lessee hereunder. At the end of the lease term, possession of the Leased Equipment shall be returned to Lessor at the Leased location in good condition, normal wear and tear excepted.

15. TAXES. Lessor shall be responsible for all personal property taxes that may accrue in connection with the Leased Equipment. Any other taxes, license charges or regulation fees levied against the Leased Equipment or its use, except taxes based on Lessor's Net Income, shall be paid by Lessee.

16. POSSESSION AFTER TERM. Any holding over at the end of the term hereof without entering into a new lease shall create a month-to-month lease cancellable by either party on thirty (30) days notice. The rent during any such holdover period shall continue at the above stated monthly charges.

17. ALTERATIONS AND REPAIRS. Without the prior written consent of Lessor, the Lessee shall not make any alterations, additions or improvements to the Leased Equipment. All approved additions and improvements shall belong to and become the property of Lessor on termination of this lease. Lessee, except for the daily maintenance and fuel checks set out above, shall not allow the Leased Equipment to be serviced, maintained or repaired by any company other than Lessor.

18. BREAKDOWN. The lessee has selected the Leased Equipment for its own operation. The Lessor shall not be responsible for any loss of time or any other loss resulting from any breakdown or other failure of the Leased Equipment. The Lessor will repair any inoperative Leased Equipment within a reasonable time of being notified of the breakdown. Lessee shall be entitled to a prorated abatement of rent for any downtime as a result of breakdown. Such abatement shall commence when Lessee notifies Lessor of the breakdown. Lessor will use Lessor's best efforts to supply an alternative Locomotive for use in the event the breakdown cannot be promptly repaired. The abatement of rentals shall cease upon arrival of alternate Locomotive at Lessee's plant.

19. NO WARRANTY. THE LESSOR MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

20. TERMINATION UPON DEFAULT. This Lease may be terminated by the Lessor prior to the expiration date set forth herein on ten (10) days' written notice delivered or mailed to the Lessee at its address as set forth above in the event that the Lessee:

(a) Fails to pay the rental charges within the time specified herein;

(b) Makes any breach or default under this Agreement.

- (c) Discontinues operation, abandons, or permits Leased Equipment to be subjected to unreasonable hazards or risks.

Such termination of the Lease by the Lessor or the taking or recovery of the Leased Equipment shall not deprive the Lessor of any of its rights, remedies, or actions against the Lessee for rents or damages or affect the Lessee's obligation to make payments provided hereunder. On termination of this Lease for whatever reason, the Lessee agrees that the Lessor may immediately take possession of the Leased Equipment covered hereby and remove it from the Lessee's premises without the necessity of resorting to any legal process, or, at the Lessor's option.

21. USE OF MAINTENANCE FACILITIES. Lessee hereby consents to Lessor's use of Lessee's Locomotive maintenance facilities and fluid containers for Lessor's performance of its maintenance duties. Lessor and its employees shall, during its use, keep all of Lessee's maintenance facilities free of debris and fluids.

22. RADIO INSTALLATION. Lessor hereby consents to the installation of two way radios on the Leased Equipment and such radios shall remain Lessee's property and shall be returned to Lessee upon termination of this Lease. Lessee shall not damage the Leased Equipment in the installation or removal of the radios.

23. MISCELLANEOUS.

(a) Time is of the essence in this Agreement.

(b) The Lessee shall not, in whole or in part, assign or sublet this lease, or any of said Locomotive, or any rights hereunder, without the written consent of Lessor. No rights of Lessee under this lease shall pass to any successor or assignee of Lessee by operation of Law without the written consent of Lessor.

(c) This Lease constitutes the entire and final Agreement between the parties and may not be amended except by agreement in writing.

(d) Lessor shall provide Lessee with forty (40) days notice prior to delivery of Locomotive to Lessee's Location. Delivery shall be prior to the expiration of said forty (40) day period upon the Agreement of Lessor and Lessee.

(e) Lessor shall provide additional locomotive as herein described to be utilized as spare locomotive in the event of breakdown of main locomotive. Lessee may utilize this locomotive upon request of Lessor provided that it is understood by Lessee this locomotive is subject to use by other area industries that also lease locomotives from Lessor in the event of other industry locomotive breakdown. However, Lessor agrees to limit other customer to no more than five (5) industries that may utilize this spare locomotive. Said spare locomotive shall be used by Lessee under the terms and conditions of this lease upon delivery to Lessee hereunder until the main locomotive is returned to service hereunder.

f) Further, Lessor agrees in the event that spare locomotive shall be needed at other area industry, Lessor shall arrange with the Port Terminal Railroad, and shall assume the cost of pilot service both to and from other industry.

g) Further, Lessor agrees in the event of spare locomotive being in other industry and major mechanical breakdown by Lessee Locomotive, Lessor shall provide motive power to Lessee by a smaller locomotive, so as not to disrupt Lessee production.

LESSOR:

INMAN SERVICE CO., INC.

By: *R.C. Inman*

LESSEE:

DIAMOND SHAMROCK CHEMICALS COMPANY

By: *Raymond McNeil*

PRESENTED BEFORE ME ON THIS DATE, DECEMBER 28, 1983, IS A DOCUMENT AS PER THE ABOVE COPY. THIS LEASE BETWEEN INMAN SERVICE COMPANY, INC. AND DIAMOND SHAMROCK COVERING AN EMD-SW9 LOCOMOTIVE # 177.

Betty J. West
NOTARY PUBLIC IN AND FOR HARRIS COUNTY, TEXAS

Ship
To

TIDAL ROAD (GATE 2)
DEER PARK (HOUSTON)
TEXAS 77536



Diamond Shamrock
Chemicals Company

Render Invoices in Duplicate To:

P. O. BOX 500
DEER PARK, TX 77536

Send Correspondence & Other Papers
BOX 1000
PASADENA, TEXAS - 77501

Vendor INMAN SERVICE COMPANY, INC.
115 N. MAIN
BAYTOWN, TX
ATTN: R. C. INMAN

77520

P.O. Date 11-30-84		F.O.B. SHIPPING POINT		PAGE 1		Purchase Order Number AB 187793-076	
Ship Via RAIL - PPD & ADD				Payment Terms NET 10 DAYS			
Stock or Requisition Number	Item	Shipping Promise	Quantity Ordered	U/M	Price	U/M	
1199407	001	BLANKET ORDER - THIS ORDER IS WRITTEN TO COVER THE LEASE OF TWO (2) EMP-SWG, 1200 H.P. LOCOMOTIVES AT OUR DEER PARK PLANT FOR A ONE (1) YEAR PERIOD BEGINNING 12/1/84 AND ENDING 11/30/85. PRICE: \$4400/EACH/MONTH LOCOMOTIVE SERIAL NUMBERS: 4098-24 #177 6183-2 #135 TERMS AND CONDITIONS PER LEASE NUMBERS 135 AND 177, SIGNED BY OUR MR. RALPH MCNEIL. INVOICES TO BE APPROVED BY MR. RON CURRY. ORDER NUMBER AB 187793 MUST BE SHOWN ON ALL INVOICES. ***** (CONT'D)					NET

Supply the foregoing in exact accordance with the terms and conditions set forth on back hereof. All of which by acceptance of this order, you hereby expressly agree to observe and perform. IMPORTANT - Acknowledgment, Invoice, Correspondence and each package, case, etc. must bear the above order number. Each invoice and packing slip must show our stock number opposite each item billed.
The Seller represents and certifies by acceptance of this order that it is in complete compliance with all of the applicable Executive Orders and rules and regulations of the Economic Stabilization Act of 1970, as amended. Further, Seller warrants that the amounts invoiced under this contract or order do not exceed specific contract or order prices.

Diamond Shamrock Chemicals Company
A Subsidiary of Diamond Shamrock

Per

TEXAS DIRECT PAYMENT AUTH NO 3-00001-6922-4